

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF WILLIAM ) APPEAL NO. 07-A-2247  
TARNASKY from the decision of the Board of ) FINAL DECISION  
Equalization of Kootenai County for tax year ) AND ORDER  
2007. )

**LAKE FRONT PROPERTY APPEAL**

THIS MATTER came on for hearing October 2, 2007, in Coeur d' Alene, Idaho before Board Member Linda S. Pike. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellant William Tarnasky appeared. Chief Deputy Assessor Richard House, Appraiser II Elizabeth Reese, Appraiser III Shane Harmon and Residential Appraisal Manager Darin Krier appeared for Respondent Kootenai County. This appeal is taken from a decision of the Kootenai County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. 51N03W090450.

**The issue on appeal is the market value of lake front property.**

**The decision of the Kootenai County Board of Equalization is affirmed.**

FINDINGS OF FACT

The assessed land value is \$1,807,148, and the improvements' valuation is \$28,330, totaling \$1,835,478. Appellant requests the land value be reduced to \$300,000, and the improvements' value be \$50,000 (bath house and septic), totaling \$350,000. Appellant is appealing the land, specifically the assessed value of 100 lake front feet.

Subject property is 3.657 acres with 590 feet of water frontage, a boat dock, and a bathhouse.

The bath house consists of a small 12x14 divided room with a sink, shower, toilet,

water pump and hot water heater. This structure has no bedrooms and no kitchen. The road to subject is not accessible year round, has a steep grade, and is unpaved.

Appellant presented a spreadsheet listing four current sale listings, which included assessed values, the properties were located on the lake but not in subject's immediate area.

Respondent explained subject is in Geo-Economic Area (GEA) 3503, which consisted of approximately 54 rural parcels in rural subdivisions. Most parcels in subject's GEA had a typical water frontage of 90 to 100 front feet. Some properties fell outside the typical range, and therefore, a ratio study was done in 2002 and length adjustments were applied to atypical properties, with more than 90 to 100 front feet.

The County also detailed the revaluation process, describing methods for identifying properties as improved, vacant buildable, or vacant non-buildable. After the new baseline value was established, values were reviewed annually and, based on sales activity, adjusted accordingly.

Respondent stated subject parcel had buildable amenities (water, gas, electricity) in place, along with a boathouse and therefore, was increased like similar properties in the subject's GEA. The County did not compare subject with properties on the other side of the lake.

The County asked the Board to address the issue of valuing a portion of subject, rather than the subject as a whole.

#### CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence

to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Per the scope of appeal in ad valorem appeals Board of Tax Appeals Rule 135 (IDAPA 36.01.01) in all appeals brought under Section 63-511, Idaho Code, in which the appellant appeals only the value or exempt status established by the board of equalization upon either the land or the improvements on the land, the Board has the jurisdiction to determine the value when one or the other is appealed.

The valuation placed on property by the Assessor for tax purposes is presumed to be correct. The burden of proof lies with the party challenging the assessment to show by [a preponderance of the] evidence that he is entitled to relief. *Greenfield Vill. Apartments, L.P. v. Ada County*, 130 Idaho 207, 209 (1997). Idaho Code § 63-511(4).

In tax appeals from the county Board of Equalization, relief can be granted only if the Assessor's valuation is "manifestly excessive, fraudulent or oppressive; or arbitrary, capricious and erroneous." *Greenfield Vill. Apartments*, 130 Idaho at 209, citing *Merris v. Ada County*, 100 Idaho 59, 64 (1979).

Idaho Code § 63-208 requires the assessor to determine the market value of taxable property for assessment purposes. The germane definition is found in Idaho Code § 63-201(10):

Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

In determining the value of property the assessor may and should consider cost, location, actual cash sale value and all other factors, known or available to his knowledge, which affect the value of the property assessed. *Merris v. Ada County*, 100 Idaho 59 (1979).

Appellant asserted the assessed value of subject was erroneous and excessive, and did not reflect market value. The taxpayer disputed the value of the first 100 feet of lake front. Sale listing information for three properties was submitted by Appellant. The information presented was based on current listings not 2006 sales. The Board finds it was not persuasively demonstrated that the market values calculated by Respondent are erroneous.

The County produced evidence showing the assessed values were reasonably calculated and demonstrated values increased dramatically in 2007. In valuing property, the Assessor is limited to and controlled by available sales information. The Assessor took reasonable steps to determine a base market price used to calculate subject land assessments. There was no evidence presented proving subject was erroneously assessed.

It is not what an expert thinks is the proper method of valuation or what is the best method, but is the method used by the assessor legitimate, fair and reasonable. Abbott v. State Tax Commission, 88 Idaho 200 at 206, 398 P.2d 221 (1965).

The Board believes the County has supported the assessed value of the subject property and the decision of Kootenai County Board of Equalization is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Kootenai County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed .

MAILED MARCH 20, 2008